

OLDFIELD PARTNERS LLP

OVERSTONE EMERGING MARKETS EQUITY FUND

FEBRUARY 2011 NEWSLETTER 28

Fund Summary

1 st March 2011			
NAV of fund	US\$301.1m		
A share unit price	US\$204.55		
I Share unit price	US\$129.02		
Performance			
	A Shares	I Shares	MSCI Emerging Markets (NDR)
February	-1.1%	-1.1%	-0.9%
2011 to date	-4.0%	-3.9%	-3.6%
2010	+22.8%	+23.2%	+18.9%
Since inception A*	+106.9%		+103.9%
Since inception A pa*	+36.8%		+35.9%
Since inception I**	-	+30.1%	+24.4%
Since inception I pa**	-	+20.5%	+16.7%

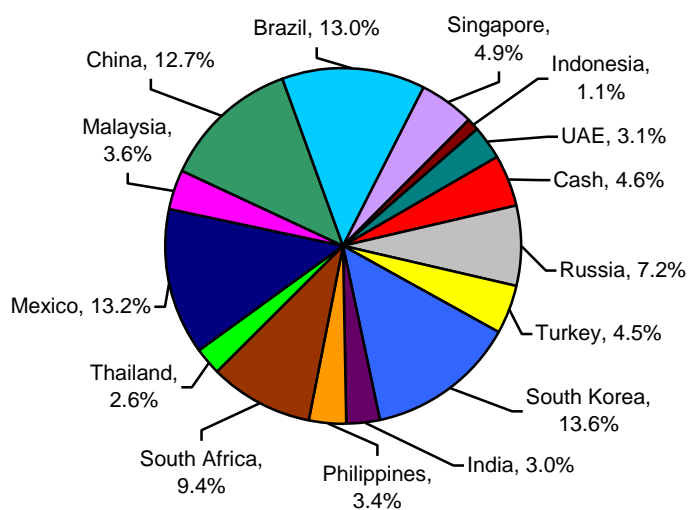
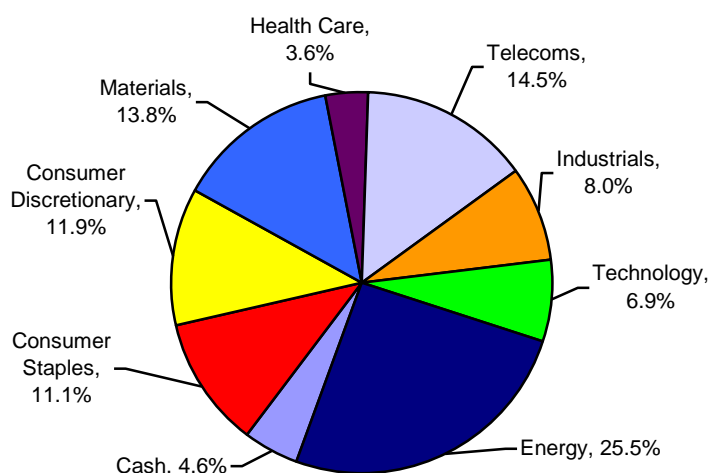
Source: Oldfield Partners LLP, MSCI ©, Bloomberg and Northern Trust Intl. Fund Administrator Services (Ireland) Ltd. Performance is calculated net of all fees and expenses and on a total return basis, inclusive of all distributions to unit holders.
 *A shares commenced on 3rd November 2008.
 **I shares Inception October 2009.

Top Five Holdings*

Stock	Portfolio Weighting	Monthly Performance (local terms)**
Petrobras	8.1%	+5.8%
Gazprom	7.2%	+11.2%
Samsung Electronics	6.9%	-5.9%
SK Telecom	6.7%	+1.7%
Sasol	5.3%	+9.8%

Source: Oldfield Partners LLP and Bloomberg.
 *As at end of period
 **Total return inclusive of dividends.

Sector and country breakdown as at 28th February 2011



Source: Oldfield Partners LLP

Oldfield Partners LLP,
 130 Buckingham Palace Road, London, SW1W 9SA.
 Telephone: +44 (0)20 7259 1000 Email: info@oldfieldpartners.com
 www.oldfieldpartners.com

Oldfield Partners LLP is authorised and regulated by the Financial Services Authority

Oldfield Partners LLP has approved and issued this communication for private circulation only; it must not be distributed to private customers. Information contained in this communication must not be construed as giving investment advice within or outside the United Kingdom. This is not an invitation to subscribe for any of the funds mentioned herein. Any reference to stocks is only for illustrative purposes and opinions expressed herein may be changed without notice at any time. The value of all investments and the income from them can go down as well as up; this may be due, in part, to exchange rate fluctuations. Past performance is not a guide to future performance. Oldfield Partners LLP does not warrant the accuracy, adequacy or completeness of the information and data contained herein and expressly disclaims liability for errors or omissions in this information and data. No warranty of any kind, implied, expressed or statutory, is given in conjunction with the information and data. © 2011. Partnership No. OC309959

OLDFIELD PARTNERS LLP

OVERSTONE EMERGING MARKETS EQUITY FUND

FEBRUARY 2011 NEWSLETTER 28

Commentary

The month was characterised by a strong performance from energy stocks and a weak performance from consumer related stocks, as events in the Middle East pushed the oil price through \$100 a barrel. The top three and bottom three performers by contribution in the portfolio during the month followed this pattern.

The bottom three performers by contribution during the month were Geo, Samsung Electronics, and DP World. **Geo** (Mexican homebuilder) should benefit long-term from the substantial housing deficit in Mexico and exposure to the higher growth lower-income segment. The company met its full year guidance, and repeated upbeat guidance for the forthcoming year, but the fourth quarter disappointed the market on lower average house prices due to product mix. Geo is the industry leader in terms of operational efficiency and we remain comfortable with its margin guidance. **Samsung Electronics** (Korean semiconductor and consumer electronics) continues to benefit from the smartphone and tablet phenomena with its solid range of products, and also by selling the 'picks and shovels' to other manufacturers - the memory and processors. **DP World** (Dubai ports) suffered on exposure to the Middle East, with its key asset being the Jebel Ali port in Dubai. It is a geographically diversified port operator with 49 terminals across 31 countries and a beneficiary of the growth in emerging market trade. However, we cannot rule out further weakness for the share price in the near term.

The top three performers by contribution during the month were **Gazprom**, Sasol, and Petrobras. Each benefited from the increase in energy prices. Gazprom (Russian gas) reported third quarter results and held its investor day. Both passed without drama. Higher prices and possible disruptions to supply from North Africa and the Gulf are supportive. We remain positive on the long term positioning of Gazprom towards European and Asian gas markets, and pricing reform in its domestic market. **Sasol** (South African integrated energy) gave an upbeat trading statement during the month, especially in relation to cost containment and operational efficiency. **Petrobras** (Brazilian oil and gas) reported a solid set of full year results. Petrobras should have industry leading production growth over the next decade. Exploration risk is minimised because of the substantial reserves of oil already found in the deepwater Santos basin. The key risk for Petrobras is in the execution of the capital expenditure needed to bring these reserves to market profitably. A challenge made easier with oil prices at current levels.

Oldfield Partners LLP,

130 Buckingham Palace Road, London, SW1W 9SA.

Telephone: +44 (0)20 7259 1000 Email: info@oldfieldpartners.com

www.oldfieldpartners.com

Oldfield Partners LLP is authorised and regulated by the Financial Services Authority

Oldfield Partners LLP has approved and issued this communication for private circulation only; it must not be distributed to private customers. Information contained in this communication must not be construed as giving investment advice within or outside the United Kingdom. This is not an invitation to subscribe for any of the funds mentioned herein. Any reference to stocks is only for illustrative purposes and opinions expressed herein may be changed without notice at any time. The value of all investments and the income from them can go down as well as up; this may be due, in part, to exchange rate fluctuations. Past performance is not a guide to future performance. Oldfield Partners LLP does not warrant the accuracy, adequacy or completeness of the information and data contained herein and expressly disclaims liability for errors or omissions in this information and data. No warranty of any kind, implied, expressed or statutory, is given in conjunction with the information and data. ©2011. Partnership No. OC309959

OLDFIELD PARTNERS LLP

OVERSTONE EMERGING MARKETS EQUITY FUND

FEBRUARY 2011 NEWSLETTER 28

Fund Information as at 1 st March 2011			
Currency	US\$	Investment Manager	Oldfield Partners LLP
Liquidity	Daily dealing	Administrator	Northern Trust International Fund Administration Services (Ireland) Ltd
Benchmark	MSCI Emerging Markets (Net Dividends Reinvested)	Custodian	Northern Trust Fiduciary Services (Ireland) Ltd
Management Fees	A shs = 1.25% I shs = 0.90%	Auditor	Deloitte
TER	A shs = 1.45% I shs = 1.10%	Admin & Custody Fees	0.18% on the first US\$75m 0.155% on the next US\$75m 0.14% on the next US\$150m 0.11% thereafter
Minimum Investment	The equivalent of €100,000	A shares ISIN	IE00B3DDVH01
		A shares sedol	B3DDVH0
Legal Advisers	Arthur Cox	I shares ISIN	IE00B4N0BT09
		I Shares sedol	B4N0BT0

Overstone Emerging Markets Equity Fund is a sub-fund of Overstone Fund plc, which is incorporated in Ireland and approved by the Irish Financial Services Regulatory Authority. Six other sub-funds exist under the Overstone Fund plc umbrella; Overstone Global Equity Fund was launched on 1st June 2005, Overstone European Equity Fund was launched on 3rd October 2005, Overstone Opportunity Multi Fund was launched on 1st November 2005, Overstone Global ex US Equity Fund was launched on 1st June 2006, Overstone Japanese Equity Fund was launched on 1st October 2007, Overstone Smaller Companies Fund was launched on 1st October 2007.

Oldfield Partners LLP,
130 Buckingham Palace Road, London, SW1W 9SA.
Telephone: +44 (0)20 7259 1000 Email: info@oldfieldpartners.com
www.oldfieldpartners.com

Oldfield Partners LLP is authorised and regulated by the Financial Services Authority

Oldfield Partners LLP has approved and issued this communication for private circulation only; it must not be distributed to private customers. Information contained in this communication must not be construed as giving investment advice within or outside the United Kingdom. This is not an invitation to subscribe for any of the funds mentioned herein. Any reference to stocks is only for illustrative purposes and opinions expressed herein may be changed without notice at any time. The value of all investments and the income from them can go down as well as up; this may be due, in part, to exchange rate fluctuations. Past performance is not a guide to future performance. Oldfield Partners LLP does not warrant the accuracy, adequacy or completeness of the information and data contained herein and expressly disclaims liability for errors or omissions in this information and data. No warranty of any kind, implied, expressed or statutory, is given in conjunction with the information and data. ©2011. Partnership No. OC309959